GOVERNMENT OF INDIA
PLANNING
LOK SABHA

UNSTARRED QUESTION NO:1634
ANSWERED ON:10.08.2011
CONTRIBUTION TO GDP
Yadav Shri Hukamdeo Narayan

Will the Minister of PLANNING be pleased to state:

(a) the basis of arriving at the data given at serial number 1 to 5 in reply to part

(a) and

(b);

(b) the reasons for the difference between the growth rate given at serial number 5 and the one given at serial numbers (1) and (2) and the action being taken to reduce the difference;

(c) the reasons for difference in the data for rural and urban areas as per the details given at serial numbers (3) and (4) wherein for lower income group, it is 25.5 per cent in rural area while in urban area it is 6.2 per cent in the same category;

(d) the methodology of evaluation of income in the income group of `income less than Rs. 45000` at serial number (1);

(e) whether they are people below poverty line;

(f) if so, whether annual income and average income is calculated by evaluating average income of 20% higher and 20% lower ranges; and

(g) if not, the reasons therefor?

Answer

MINISTER OF STATE FOR PLANNING, SCIENCE & TECHNOLOGY AND EARTH SCIENCES (DR. ASHWANI KUMAR)

(a) to (c): The reply given to the Lok Sabha Starred question No. 194 on 9th March, 2011 was based on the research study conducted by the National Council of Applied Economic Research (NCAER) and the study report is in circulation as a priced publication in the form of a book titled `How India Earns Spends and Saves`. This study is based on the survey conducted by NCAER and the Planning Commission was not associated with this research work. The difference in growth rate between rural and urban income and between different income groups primarily represents respective disparities and there could be various reasons for these disparities including historical, socio-cultural, spatial and administrative. The action being taken to reduce the disparities is already detailed in the reply to the Lok Sabha Starred Question No. 194 dated 09-3-2011.

(d) to (g): The detailed methodology and the conceptual framework of the study is explained at pages 6 to 14 of the above book. It has been one of the findings of the NCAER study that the number of low income households, i.e., those earning under Rs. 45,000 per annum at 2001-02 prices, has been consistently falling over the years. Since the study refers to the category of low income households, obviously it includes the households living below the poverty line, but there may not be any one to one correspondence as different experts/researchers follow different methodology to determine poverty levels. Chapter Five of the report exclusively explains the income pyramid i.e. distribution and income disparity.